

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS)	CASE NO. 90-360-C
ELECTRIC CORPORATION FROM NOVEMBER 1,)	
1991 TO APRIL 30, 1992)	

INTERIM ORDER

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on July 7, 1992 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Big Rivers Electric Corporation ("Big Rivers") for the 6 months ended April 30, 1992.

The Commission has previously established Big Rivers' base fuel cost at 13.30 mills per KWH.¹ A review of Big Rivers' monthly fuel clause filings shows that the actual fuel cost incurred for the 6 month period under review ranged from a low of 12.94 mills in February 1992 to a high of 13.67 mills in December 1991, with a 6-month average of 13.26 mills.

Since the last two-year review of Big Rivers' fuel adjustment clause, the cost of Big Rivers' coal purchases has been at or near the highest of the electric generators regulated by this Commission. This, coupled with the recent disclosure of potential

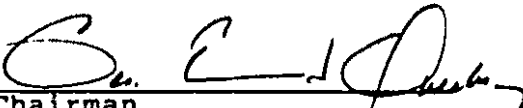
¹ Case No. 90-360, An Examination By The Public Service Commission of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation From November 1, 1988 to October 31, 1990, Order dated April 3, 1991.

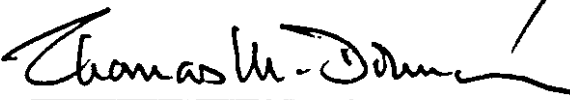
conflicts of interest between former employees of Big Rivers and one of its coal suppliers, E & M Coal Company, leads the Commission to believe a more indepth investigation of Big Rivers' fuel procurement practices since November 1, 1990 is necessary. Therefore, we make no findings with respect to Big Rivers' fuel procurement practices at this time. A final Order will be issued upon conclusion of the Commission's investigation of Big Rivers' fuel procurement practices.

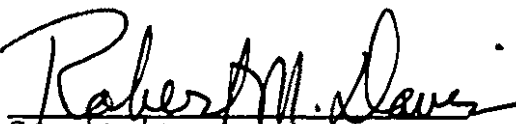
IT IS THEREFORE ORDERED that this docket shall remain open until the Commission has concluded its investigation of Big Rivers' fuel procurement practices.

Done at Frankfort, Kentucky, this 4th day of November, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director